

रक्षा लेखा महानियंत्रक

उलन बटार मार्ग, पालम, दिल्ली छावनी-110010

(आई.एफ.ए. विंग)

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संख्या आई.एफ.ए./65

दिनांक :- 17.03.2016

सेवा में

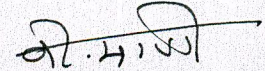
All PIFAs/IFAs Office's
(Through CGDA Web Site)

विषय - वित्तीय सलाह मामले।

Sub - Financial Advice Cases

वित्तीय सलाह संबंधी परिपत्र सं.-06 – वर्ष 2015-16 का दिनांक 17.03.2016 सूचना एवं मार्गदर्शन हेतु प्रेषित किया जाता है।

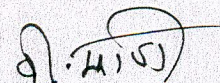
Financial Advice Circular No.-06 of 2015-16 dated 17.03.2016 is forwarded herewith for information and guidance please.



रक्षा लेखा सहा. महानियंत्रक (वित्त)

प्रतिलिपि

1. संयुक्त सचिव एवं अपर वित्तीय सलाहकार(एस.), रक्षा मंत्रालय(वित्त), नई दिल्ली
2. संयुक्त सचिव एवं अपर वित्तीय सलाहकार(वी.पी.), रक्षा मंत्रालय(वित्त), नई दिल्ली
3. रक्षा लेखा संयुक्त महानियंत्रक (ले.प.-I)
4. रक्षा लेखा संयुक्त महानियंत्रक (ले.प.-II)
5. रक्षा लेखा संयुक्त महानियंत्रक (प्रशिक्षण)
6. रक्षा लेखा संयुक्त महानियंत्रक (ले.प. समन्वय)
7. रक्षा लेखा व. उप महानियंत्रक (ईडीपी)-कृपया परिपत्र IFA Home Page वेबसाइट पर डलवाने का कष्ट करें।



रक्षा लेखा सहा. महानियंत्रक (वित्त)

Financial Advice Circular No. 06 of 2015-16



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Dated: 17.03.2016

Subject:- Financial Advice Cases.

The financial advice cases as submitted by IFA (BR), New Delhi, IFA (WNC), Mumbai, PIFA(Air HQrs), New Delhi are circulated herewith for information and guidance.

CASE STUDY 01 – Proposal for AE for Construction of Bomdila Bye Pass on Road Balipara Charduar-Tawang from Km 130.350 to Km 138.870 to NHDL specifications in the state of Arunachal Pradesh at the estimated cost of Rs. 5283.17 lakh.

Details of the case -

A proposal for AE for Construction of Bomdila Bye Pass on Road Balipara Charduar-Tawang from Km 130.350 to Km 138.870 to NHDL specifications in the state of Arunachal Pradesh at the estimated cost of Rs. 5283.17 lakh was received.

Advice of the IFA (BR) -

On scrutiny of the AE, it was observed that there were a number of deficiencies in drawing up the AE, the major ones being as under:-

- (i) Centering shuttering material authorized as per DGBR SSR is for 10 times use. Being steel plates, it is felt that these can be used more than 10 times, as is being done in various other jobs.
- (ii) Excavation work is being carried out in formation work through Hydraulic Excavator and in permanent work through manual labour/tools. The nature of work is same but carried out by different methods and it is seen that handling charges of excavation work for formation work are lower than that of permanent work. Hence, it is suggested that for working out road lift charges purpose only, the cost of excavation work which pertains to permanent work may be considered under formation work's road

lift charges. The same was also considered in various other cases like Job No. G-1807/01 (Swastik) etc.

Response –

The AE was rectified on the basis of the advice given as above by IFA (BR) and accordingly, the AE was re-drawn and concurred for RS. 5097.96 lakh against the initial amount of RS. 5283.17 lakh.

Concurrence/Savings achieved –

As a result of the advice given by the IFA(BR), savings to the tune of Rs. 185.21 lakh was achieved.

CASE STUDY 02 - Proposal for according concurrence relating to procurement of winding wire of various types under indent no. 12BQEC140 dt. 25.12.2012 for an expenditure amounting to Rs. 84,06,365 for 12 indent lines.

Details of the case -

1. IFA received a proposal for according concurrence relating to procurement winding wire of various types under indent no. 12BQEC140 dt. 25.12.2012 for according AIP/AON . The cost of proposal was Rs. 84,06,365 for 12 indent lines.
2. The indent was proposed for concurring rate contract for three years being ASD Crit item(for 12 indent lines) .
3. AIP was accorded for Rs. 84,06,365 for conclusion of rate contract on 07/09/2012.
4. After September 2012 , the indent was resubmitted in June 2014 for converting the proposal from rate contract to LTE citing that prices of metallic products are subject to massive variations and firms may not honor their rate contracts.
5. Proposal was examined by the IFA , and the following clarification was called for.
 - a. Reason for not processing the proposal in time.
 - b. When the proposal was initially submitted for according concurrence, it was stated in the noting that the procurement of these said ityems is critical. In light of same it was enquired as to how the requirement of the item was made during the above period.
 - c. It was also advised to revise the PQ as the indent was of vintage 2012.

6. The case was resubmitted stating that , the indent was pending due to technical fault . Further PQ in r/o item at Indent Line 06 was reduced from 49,665 mtrs to 25,000 mtrs. Thus bringing the proposed expenditure from Rs.32,88,816 to Rs.16,55,500. (for Indent Line -06) resulting into saving to the tune of Rs.16,33,316.
7. The original Indent was for conclusion of the Rate Contract for three years and accordingly, PQ was considered for three years requirement. Whereas the present proposal was being converted from Rate Contract to LTE , hence requirement of only one year was required to be considered. Hence it was advised to revise the quantity also.
8. On the basis of the Financial advice rendered by FA to (MS) , the quantity was reduced from 3 Longcast to 1.5 Longcast thereby reducing quantity of each item by almost 50%.
9. To check the correctness of the revised proposed quantity, the availability of stock was verified with ILMS system. It was found that the quantity of 25,216 in r/o Indent Line-06 was available in stock . Hence it was advised that the necessity of procurement of 25,000 mtrs in r/o Indent Line-06 not considered justified.
- 10.As a result of the above advise by FA to MS ,the entire quantity in respect of Indent Line-06 was deleted and case was resubmitted for accord for AIP/AON for revised expenditure amounting To Rs. 25,20,117/-.
- 11.Proposal was concurred for AON for Rs.25,20,117/- on 18/09/2014.
- 12.TE was issued on OTE basis, L1 quoted for an expenditure amounting to Rs.31,71,798/- . L1 firm was called for negotiations. During negotiations the L1 offered a discount of 1% on its quoted rate, bringing down the expenditure from Rs.31,71,798/- to Rs.31,40,080/-.

Concurrence/ Savings Achieved –

As a result of the financial advice rendered by FA to MS in the above case at post AON stage the expenditure on the proposal was brought down by 63% i.e from Rs. 84,06,365/- to Rs. 31,40,080/- Hence **resulting into overall savings to the state to the tune of Rs. 52.66 lakh (Rs. 52,66,285/-).**

CASE STUDY 03 : The Directorate of IT, Air HQ(VB) proposal for Office Application Software i.e MS office Professionals Licenses for 923 Desktop PCs.

Details of the Case -

PIFA received a proposal for the Directorate purchases 923 PCs through DGS&D channel for an amount of Rs. 3,92,01,575/-, proposal for MS office Professionals

software like Word, Excel and Power Point etc for entire PCs was mooted. The AON for the case was approved by VCAS in consultation with PIFA through OTE based on the budgetary quote received from the supplier having OEM (MS Microsoft) certificate. The CNC was held with L1 and the placement of supply order for Rs. 1,95,17,503/- was recommended after getting Rs. 50,000/- discounts offer by the vendor.

Advice of the PIFA -

During the EAS stage, PIFA examined the proposal and advised to review the proposal afresh about the actual requirement of the proposed high end software having substantial financial implication.

(a) The requirement was projected by Directorate of AFNET to implement centralized PKI and ADRMS enabled applications from the Data Centers. The requirement of the very high end software based on cloud computing for which internet connectivity is required is not clear since the software is to be loaded on AFNET run PCs only.

(b) Therefore, it was asked whether all the 923 PCs would require MS Office Professionals. It was asked to review that requirement of MS Office Professionals in a view of earlier procurement of cheaper version of MS Office to facilitate usage of PKI enabled application.

(c) Since majority of the 923 PCs were procured against BER/down gradation feasibility of using the MS Office license Key already loaded in the downgraded PCs was asked to looked into.

(d) It was also pointed out that many of the advance features may be disabled by system administrator due to security reasons and may not be of much use for e.g, One Note:- Converts handwriting to text. Publisher:- Enables online search of albums on Facebook and Flickr.

Response -

Accordingly, the proposal was reviewed by Dte of IT in consultation with Branch computer centre and the requirement of MS Office Professionals was revised to quantity 373 against the earlier proposal of Qty 923. Moreover, it was considered that a separate case would be initiated for procurement of MS Office 2013 standard Licenses for the remaining PCs. Further, it was clarified that it was not feasible to use MS Office License Key from downgraded PCs.

Again the case was scrutinized and it was revealed that actual requirement was for quantity 125 Licenses only since the requirement was projected by Directorate of AFNET to implement centralized PKI enabled from the Data Centre. On the basis of the comments of Directorate of AFNET, ACAS(COMN) finally the agreed for the

requirement as 125 only. In fact the Directorate of IT had obtained the requirements from other Directorates and the requirement was worked out to 373.

Concurrence/Savings achieved –

As a result of carefully scrutinized by the PIFA, the requirement of Licenses was reduced from 923 to 125. Accordingly the Expenditure Angel Sanction was accorded for Rs. 26,43,215/- inclusive of all taxes thereby **achieving a saving of Rs. 1,72,26,206/-**.

Case Study-4 : Outsourcing of services of Bus Escorts (Conductors) –

Details of the Case -

PIFA received a proposal from AFND, New Delhi for outsourcing of services of Bus Escorts (Conductor) for school buses plying in New Delhi/NCR. The qualified Bus Escorts should be there in every school bus, at the estimated cost Rs. 62 Lakh.

Advice of the PIFA -

PIFA examined the proposal and it emerged that Bus Escorts/Conductors were not being hired from public fund by either the Navy or the Army and the same was being met with through other internal/in-house resources. It was also felt by Finance that concurring a proposal would open a Pandora's box which will have Pan India implications in future. This decision would be quoted as precedence for all units in Air Force and similarly it would also impact and influence the decision making process on this account in the Navy and the Army.

Response –

After due examination, the views of Finance was intimated directly to the CFA for suitable directions to drop the case as hiring of bus conductors could not be done through public fund and that to on a recurring basis. After due examination, the executive authority have dropped the proposal for hiring of bus escorts through public fund.

Concurrence / Savings Achieved –

As a result of the advice given by the PIFA office a substantial saving of Rs. 62 Lakh (Approx) was achieved in the instant case.